GLOBAL SHIP LEASE

2019 ESG Report

Inaugural Edition

Message from our Executive Chairman

80% of global trade is carried by sea

Shipping is a low carbon form of transportation

Shipping contributes to the United Nations Sustainable Development Goals

As an industry, shipping has a number of strengths.

However, that is not to understate the magnitude of the challenges we need to address going forward, arguably the most critical of which is to play a role in the global effort to tackle Climate Change and create a sustainable environment for our children.

Recognizing this, the International Maritime Organization has targeted a reduction in Greenhouse Gas emissions from shipping of at least 50% by 2050. And the Getting to Zero Coalition - an alliance of companies across the maritime, energy, infrastructure, and finance sectors, supported by governments and IGOs - of which Global Ship Lease is a committed member, is focused on getting commercially viable, zero-emissions vessels into operation by 2030.

Against this backdrop, the Global Ship Lease investment strategy is weighted towards Post-Panamax containerships, which retain a high level of operational flexibility while also reducing costs and Greenhouse Gas emissions per unit of cargo carried, aligning our commercial interests with reduced emissions. Furthermore, we are focused on extending the economic lifetime and optimizing the operating performance of existing ships - thus avoiding the carbon footprint associated with constructing new vessels - until the industry can transition to next-generation, green propulsion technologies.

In this, our first ESG report, we endeavor to identify the levers that we, as a company, can pull in order to continue to translate environmental sensitivity, social responsibility, and good governance into specific actions. To this end, we have enlisted the help of our core stakeholders - including customers, employees, investors, financiers, suppliers, and industry bodies - to gauge the materiality of the many different facets of ESG and guide us in drafting a strategic roadmap to address them. To help drive this process, and to ensure that ESG becomes increasingly embedded in our company culture and the way we do business, we have established a specialized ESG committee at the Board level.

These are complex times, and the challenges we face, together with the nature of ESG itself, will continue to evolve. We are committed to continuous improvement and to ensuring that Global Ship Lease creates sustainable value over the long term.

George Youroukos, Executive Chairman of Global Ship Lease, Inc.

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1. About this report

Our first Environmental, Social, and Governance (ESG) report articulates our maritime sustainability strategy, reviews our actual ESG performance, and summarizes our future ESG targets.

Except where otherwise specified, the reporting period covers the second half of 2019, by which time the strategic combination and integration of legacy-Global Ship Lease and Poseidon Containers had been completed.

The report focuses on the environmental impact of our operations and presents our approach to meeting the objectives identified by the International Maritime Organization (IMO) in their strategy to dramatically reduce Greenhouse Gas (GHG) emissions by 2050, and the United Nations Sustainable Development Goals (UN SDGs). In preparing this report, we considered the following standards and reporting frameworks:

Global Reporting Initiative (GRI Standards: Core option)
Reporting based on the GRI Standards ensures that the content and issues discussed are relevant, consistent, and comparable across companies and sectors.

Sustainability Accounting Standards Board (SASB) for Marine Transportation
The report discloses information on the basis of SASB maritime industry-specific metrics.

This is our first ESG report. It has been prepared in accordance with **GRI Standards** "Core" option, **SASB's Marine Transportation** material topics, with input from **Maritime Strategies International Ltd (MSI)**.

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About GSL
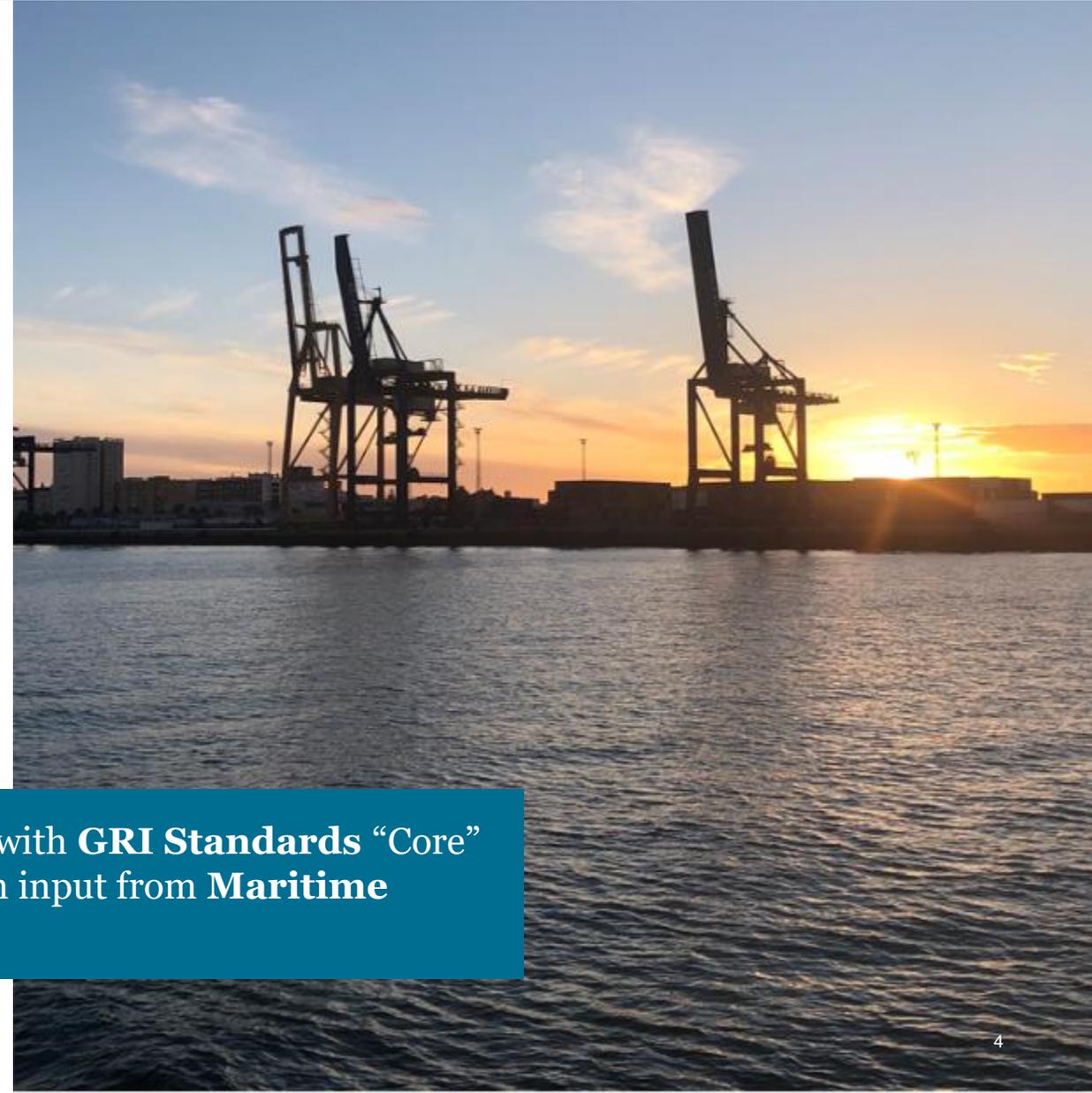
Company profile

Global Ship Lease is a containership owner, leasing ships to container shipping companies under industry-standard, fixed-rate time charters. The Company is a Marshall Islands Corporation, with offices in London and Athens, and has been listed on the New York Stock Exchange since August 15, 2008, under the ticker NYSE:GSL.

We focus on mid-size Post-Panamax and smaller containerships, the workhorses of the global fleet, which tend to serve the faster-growing non-Mainlane and intra-regional trades collectively representing over 70% of global containerized trade volumes.

Our goal is to provide our liner operator customers with well-specified, operationally flexible, reliable, fuel-efficient, high-reefer capacity, low-slot-cost containerships to support their operations within the highly competitive global logistics industry.

As at December 31, 2019, we employed - either directly, or indirectly through our Technical & Commercial Managers - 1,045 people, of whom 833 were seafarers and 212 were onshore employees. Furthermore, our fleet consisted of 43 containerships, generating total revenues of over $261 million for FY2019.

Our investment model seeks to combine strong, longer-term contract cover with selective shorter-term exposure, providing a firm base with downside protection and forward visibility on cash flows, while also offering access to upside earnings potential in a highly cyclical market.

We see the following as fundamental to this approach:

1. Creating strong, long-lasting partnerships with reputable charterers;

2. Expanding the economic lifecycle of our vessel assets until next-generation sustainable fuels and propulsion technologies become well-established and commercially viable;

3. Utilizing applicable technology to reduce our environmental impact and improve operational efficiency;

4. Continuously improving our Environmental, Social and Governance (ESG) performance.

$ 261.1 Million
Total revenue in 2019

NYSE:GSL
Publicly listed company

43
Containerships

1,045
Crew and shore employees

2 offices
London, Athens

Q4 2018
Combined with Poseidon Containers

$767 Million
Forward contracted revenues

2.5 years
Average forward contract cover

Our partners for the technical & commercial management of our vessels

On November 15, 2018, we concluded a strategic combination with Poseidon Containers.

Prior to the merger with Poseidon Containers, the legacy-Global Ship Lease fleet was managed by three independent ship managers. On completion of the merger, we transitioned the technical management of all our ships to Technomar Shipping, Inc., facilitating a reduction in our average daily OPEX per vessel of almost 5%: from $6,420 in 2018, to $6,128 in 2019.

In addition to the technical management and crewing of the ships themselves, Technomar also provides - under the supervision of the Global Ship Lease management team - a series of supplementary services which allow us to minimize our fixed overheads. These include:

• Finance and accounting

• Invoicing and charter hire collection

• Insurances

• Legal support

• Health, Safety, Quality, and Environment (HSQE)

Furthermore, we have an exclusive brokerage agreement with ConChart Commercial, Inc. to support the day-to-day commercial activities of Global Ship Lease. ConChart's well-established commercial network has allowed us to significantly diversify our chartering relationships, extending our commercial outreach and maximizing commercial uptime for our ships - while also minimizing fixed overhead.

Our contractual relationships with Technomar and ConChart are on arm's-length, commercial terms and based on the industry-standard, BIMCO ShipMan form. Technomar is paid a fixed daily fee for each vessel under management, which covers both technical management and supplementary services. ConChart is paid industry-standard brokerage for chartering and sale and purchase transactions performed on behalf of Global Ship Lease. Technomar is part-owned and ConChart is solely owned by our Executive Chairman, George Youroukos.

Both Technomar and ConChart have infrastructure and personnel dedicated to the management and operation of our ships, and the promotion and development of our commercial interests. Consequently, wherever appropriate, Technomar and ConChart have been included in the scope of this report.
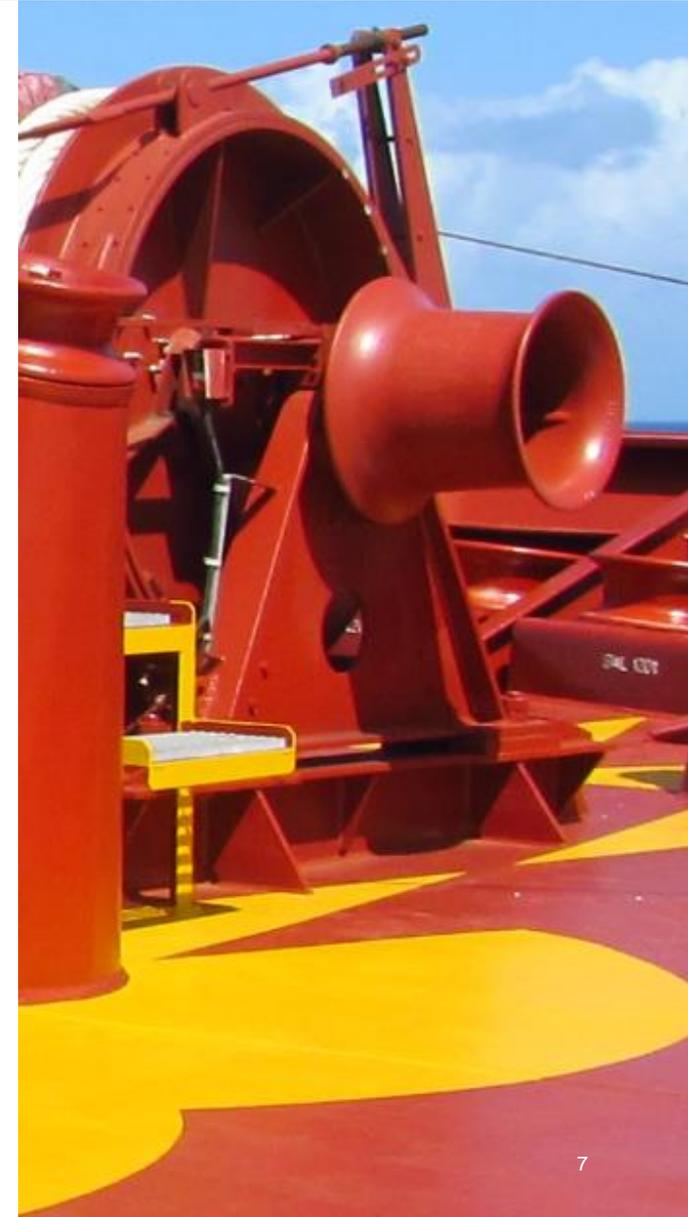
Our fleet

A fleet of well-specified, operationally flexible, fuel-efficient, high-reefer-capacity, low-slot-cost containerships

Our fleet consists of mid-size and smaller containerships that can be deployed on a wide range of trading routes. As at December 31, 2019, we owned 43 ships, ranging from 2,207 to 11,040 TEU, of which nine are fuel-efficient and new-design wide-beam units, with a total capacity of 236,316 TEU. The average age of our vessels, weighted by TEU capacity, is 13 years - implying an average remaining useful economic life of 17 years.

23 Post - Panamax container vessels | Capacity 5,900 – 11,000 TEUs

- 11 built between 1999 – 2004, 2 built between 2005 – 2009, 10 built between 2010 – 2015
- 9 latest generation, wide-beam (new design), ECO containerships
- Total Capacity: 172,560 TEU
- Charterers: Maersk, CMA CGM, ZIM, Hapag-Lloyd, COSCO

7 Panamax container vessels | Capacity 4,000 – 5,100 TEUs

- Built between 2005 – 2009
- Total Capacity: 32,756 TEU
- Charterer: CMA CGM, Maersk, Feedertech

13 Handymax container vessels | Capacity 2,200 – 2,800 TEUs

- 12 built between 1999 – 2004, 1 built between 2005 – 2009
- Total Capacity: 31,000 TEU
- Charterers: MSC, CMA CGM, COSCO, OOCL

9 ECO ships
High-reefer, wide-beam (new design)

236,316
Total fleet TEU capacity

Our operational and commercial performance

2019 was a period of transformation for Global Ship Lease. On November 15, 2018, we concluded a transformative strategic combination with Poseidon Containers, which doubled the size of our fleet, materially improved our capital structure, and substantially enhanced our commercial footprint and competitive positioning. The phased integration of the two companies took place during the first half of 2019.

During the second half of 2019 we acquired, and took delivery of, a further five containerships, and committed to acquire two more. All seven ships are Post-Panamax units, which combine high operational flexibility with commercially attractive specifications and low slot costs.

As at December 31, 2019 we had a (delivered) fleet of 43 containerships, with an aggregate capacity of 236,316 TEU.

Evidencing the commercial and operational flexibility of our ships: in 2019 our fleet serviced 85 different countries and made a total 2,846 port calls over the course of approximately 14,000 ownership days. Vessel utilization for FY2019 was 94.4%.

Our investment model seeks to combine strong, longer-term contract cover with selective shorter-term exposure, providing a firm base with downside protection and forward visibility on cash flows, while also offering access to upside earnings potential in a highly cyclical market. As at December 31, 2019 we had forward contracted revenues of approximately $767 million over a TEU-weighted average term of 2.5 years.

Statement of operations (in mil $)	2019
Time charter revenue	**261.1**
Operating expenses	**(149.5)**
Vessel operating expenses	(87.8)
Time charter and voyage expenses	(9.0)
Depreciation and amortization	(43.9)
General and administrative expenses	(8.8)
Impairment of vessels	-
Operating income / (Loss)	**111.6**
Income / (Loss) before income taxes	**39.9**
Net income / (Loss) available to common shareholders	**36.8**

Operational Overview	2019
Vessels in operation at year end	43
Ownership days	14,326
Planned offhire – dry-docking days	(537)
Unplanned offhire days	(105)
Idle days	(164)
Operating days	13,520
Port calls	2,846
Countries visited	85
Nautical miles travelled	1,646,708
Utilization	94.4%

# Container shipping is a low carbon form of transportation*

80% of global trade is carried by sea.

The container shipping industry links producers and consumers of goods, thereby facilitating economic growth. Container shipping is a key part of the global supply chain and, as such, is also a contributor to the United Nations Sustainable Development Goals - particularly those associated with poverty alleviation, economic growth and infrastructure.

It also represents a low carbon form of transportation, especially when compared to emissions associated with moving comparable volumes of cargo over the equivalent distances using other common modes of freight transport such as air, road, or rail. The Second IMO GHG Study estimated the emissions (gr CO_2 / Tonnes-km) for different modes of transport, with 2008 representing the benchmark year: see chart below.

Nevertheless, the issue of emissions within the shipping industry is of increasing importance. As well as growing scrutiny from cargo interests - which is particularly acute in the containership sector as cargo interests are often customer-facing brands with a strong ESG focus themselves - there is also mounting regulatory pressure.

Within the container shipping industry, there is considerable variation in vessel emissions per unit of cargo carried. The economies of scale yielded by larger vessels typically result in lower emissions per container (TEU) carried. However, other factors, such as vessel age and design, fuel-saving retrofits, operating speed, time in port, weather routing, trim optimization, and other operational differences can also have a significant impact on the relative fuel-efficiency of different classes of containership. Logically, there is a strong correlation between containerships with low fuel costs per TEU "slot" and ships with low emissions per TEU slot.

The gr CO_2 / DWT / nautical mile by containership size chart (below) shows the estimated fuel consumption per unit of cargo carrying capacity for different size classes of containership. There is a significant increase in efficiency in the transition from small feeder containerships to intermediate-sized / mid-sized vessels. Whilst even larger containerships (12,000 – 23,000 TEU) do offer further efficiencies relative to intermediate vessels, the magnitude of incremental gains per unit tends to diminish.

Our investment strategy is weighted towards mid-size Post-Panamax ships, which combine a high level of operational flexibility with comparatively low costs and GHG emissions per slot: aligning our commercial interests with a reduced emissions footprint.

gr CO_2 / Tonnes-km, by mode of transport
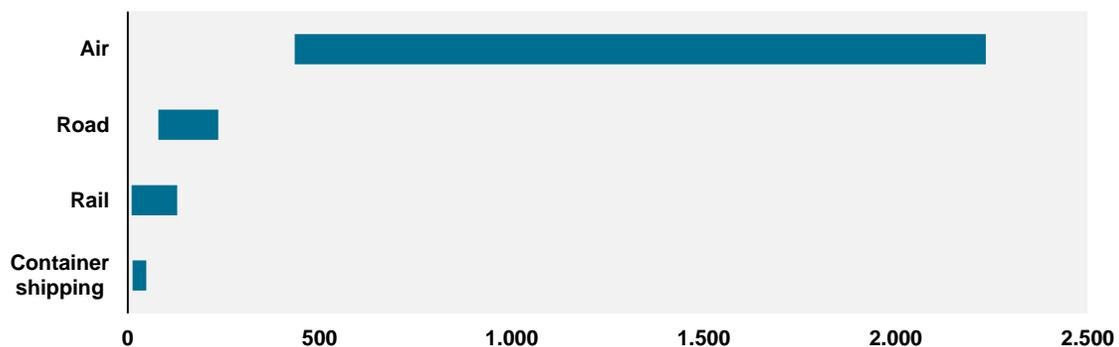
* Data provided by Maritime Strategies International Ltd (MSI)

gr CO_2 / DWT / nautical mile, by containership size
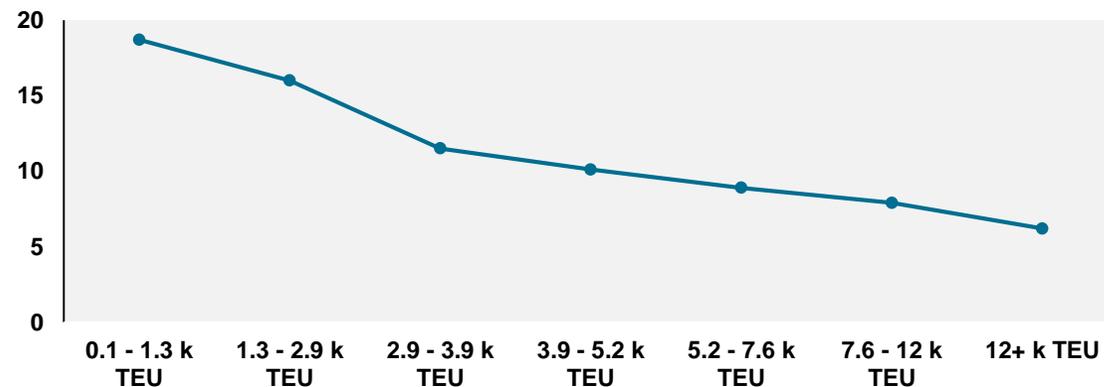
Overview of our ESG performance- Environmental factors

The tables below summarize our ESG performance though KPIs associated with the Environment pillar on the basis of full TEUs:

Pillar	KPI	Performance 2019 *	SASB material disclosure topic
Environment	Energy Efficiency Operation Index (EEOI) Handymax (gr CO_2 / TEU-mile)	187.6	●
	Energy Efficiency Operation Index (EEOI) Panamax (gr CO_2 / TEU-mile)	146.3	●
	Energy Efficiency Operation Index (EEOI) Post-Panamax (gr CO_2 / TEU-mile)	102.9	●
	Total GHG emissions (tn CO_{2e})	1,057,937	●
	Total fuel consumption (tn)	339,653	
	Total SOx emissions (tn)	6,259	●
	Total NOx emissions (tn)	16,971	●
	Total waste generated (m^3)	14,997	
	Total water consumption (m^3)	55,630	
	Percentage of fleet implementing ballast water exchange / system (%)	100 / 40	●
	Number and volume of spills and releases to the environment	0	●

* The reported KPIs refer to the second semester of 2019 and/or data as at December 31, 2019

Overview of our ESG performance- Social and Governance factors

The tables below summarize our ESG performance though KPIs associated with the Social and Governance pillars:

Pillar	KPI	Performance 2019	SASB material disclosure topic
Social	Total number of seafarers	833	
	Total number of training hours (seafarers)	768	●
	Seafarers' retention rate (%)	75	●
	Total number of employees ashore	212	
	Gender diversity (%) all levels and in senior management	41	
	% of employees with seagoing experience	22	
	Total number of new hires	68	
	Total number of onboard drills per vessel	21	
	Number of onboard internal audits	43	
	Number of port state control deficiencies and other deficiencies	14 MARPOL / 148 Other	●
	Number of serious marine incidents	0	●
	Lost time injury (LTIF) rate per 1.000.000 manhours	7.71	●
	Total Recordable Cases Frequencies (TRCF) per 1000.000 manhours	10.28	
Governance	% port calls in countries that have the 20 lowest rankings in the CPI	3	●
	Amount of legal and regulatory fines associated with bribery or corruption	0	●
	Number of controls and process tests conducted	188	
	Number of material weaknesses or deficiencies	0	

* The reported KPIs refer to the second semester of 2019 and/or data as at December 31, 2019

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Our ESG

strategy

Our vision

We aim to implement an **ESG strategy** aligned with the **IMO's GHG emission reduction targets** and the **United Nations Sustainable Development Goals**, ensuring that we act as responsible stewards of the **marine environment** and cultivate an inclusive, diverse, healthy, and **safe work environment** (both on board our vessels and ashore), while building an agile, profitable, and **sustainable business** which is governed with rigor and transparency.

Our ESG strategy includes the following four strategic goals:

- To promote and ensure **marine environmental protection and sustainability** through the implementation of operational best practices and the optimization of our ships to increase energy efficiency and reduce carbon emissions;

- To be a **responsible employer**, encouraging employees' long-term loyalty and increasing their environmental awareness (both onboard and ashore), to build a socially inclusive and sustainable work environment;

- To contribute to the **social prosperity** of the communities in which we operate, as well as to the sustainability of the container shipping industry as a whole;

- To ensure **active and constructive communications with our key stakeholders** in order to understand their needs, address their concerns, and build long-term relationships to better manage the challenges, and capitalize upon the opportunities, of a cyclical and volatile market.

Integrating the United Nation's Sustainable Development Goals into our ESG strategy

In 2015, the United Nations developed 17 Sustainable Development Goals (SDGs) "to transform our world, to end poverty, protect the planet, and ensure prosperity for all" – which were agreed upon and signed by the 193 member states. The SDGs articulate the world's most pressing environmental, social, and economic issues, and also provide a framework that businesses can use to improve their performance on sustainable development. The SDGs have been described as "the closest thing the world has to a strategy for future success". As the UN agency responsible for the safety and security of shipping, and for the prevention of marine and atmospheric pollution by ships, the International Maritime Organization (IMO) is actively working towards the 2030 Agenda for Sustainable Development and the associated SDGs.

As a company providing part of the global transportation infrastructure, we embrace these ambitious goals, and will work together with other stakeholders in the maritime industry to promote sustainable development. We have identified the goals to which we can make the most meaningful contribution and will integrate them to our strategic commitments and action plan.

Our strategic roadmap

The tables below provide an overview of the status and progress of our strategic commitments per key ESG category:

Category	Actions/ Targets	In progress	Embedded
Climate Change & GHG Emissions	Reduce net-CO_2 emissions by 50% by 2050 (v. 2008 levels) - consistent with IMO targets.	●	
	Implement transparent reporting of vessel emissions to the EU and IMO under their respective reporting schemes.		●
	Full compliance with IMO 2020 regulations to reduce Sulphur emissions, either through the adoption of low-Sulphur fuel or through the selective installation of Exhaust Gas Cleaning Systems (scrubbers).		●
	Extend the lifecycle, and enhance the operating performance, of existing ships in order to minimize the carbon footprint associated with the construction of new tonnage until next-generation green fuel and propulsion technologies are commercially available.		●
	Join and support the Getting-to-Zero Coalition industry think-tank.	●	
	Foster alignment of our commercial and ESG strategies: there is a high correlation between low-slot-cost ships and low-emissions per TEU-mile of cargo carried.	●	
	Minimize discretionary air travel in order to reduce emissions.	●	
Operational Optimisation and Innovation	Facilitate continuous improvement of the environmental performance and energy efficiency of our ships, through EEOI (Energy Efficiency Operational Indicator) monitoring.	●	
	Adopt technologies and structural enhancements (e.g. bulbous bows optimized for slower speed operation) that facilitate improvements in the operating performance and energy efficiency of our ships.		●
	Support R&D activities for the development of green technologies for the container shipping industry.	●	
Marine Environment	Zero-tolerance approach to oil spills.		●
	Installation of IMO / USCG-compliant Ballast Water Treatment systems on all ships in our fleet.	●	

Our strategic roadmap

Category	Actions / Targets	In progress	Embedded
Waste management	Strict no garbage overboard policy.		●
	Onboard recycling: sort, separate, and compact waste aboard; dispose of ashore.	●	
Water consumption	Protocols to reduce water consumption aboard our vessels.	●	
	Water recycling and on-board generation of potable water.	●	
Environmental Lifecycle Management	Document Inventory of Hazardous Materials (IHM) for each ship, consistent with EU SRR regulations.		●
	Adhere to Hong Kong Convention for ship recycling.		●
Quality certifications	Implement management systems required to meet quality certifications related to environmental policy and management practices (ISO 14001:2015 or later) and to energy management policy and practices (ISO 50001:2011 or later).		●
Reduce carbon footprint in the office	Minimize paper use.	●	
	Eliminate use of single-use plastics.	●	
	Increase recycling.	●	
Safety	Ensure strong safety culture, targeting zero injuries or fatalities aboard our ships.		●
	Reinforce strong risk-mitigation protocols, targeting zero incidents or accidents.		●
Human rights	Embed human rights due diligence procedures and requirements in our own operations, and throughout our supplier and contractor network.	●	

Our strategic roadmap

Category	Actions / Targets	In progress	Embedded
Child and forced labor	No child or forced labor permitted in our own operations.		●
	Requirements and screening to preclude child or forced labor by any of our suppliers or contractors.	●	
Sustainable procurement	Establish a sustainable procurement policy.	●	
	Establish ESG screening of our suppliers and contractor.	●	
Attraction & Recruitment	Increase diversity throughout all levels of the organization.	●	
	Meet and exceed ILO requirements for the employment of seafarers.		●
Employee retention	Achieve annual employee retention rates above 75%.		●
	Adopt flexible working, where practical, to assist with family issues and work-life balance of employees.	●	
	Support our managers in maintaining a respectful and cooperative working environment.	●	
Training & Development	Ensure company culture of safety, ethics, cooperation, and sustainability is promoted throughout the organization.	●	
	Establish an onboard familiarization and seagoing experience program for shore-based employees.	●	
	Provide internship programs.		●

Our strategic roadmap

Category	Actions / Targets	In progress	Embedded
Rotation & Promotion	Implement cross-functional rotation of employees to broaden skill-sets and understanding.	●	
	Cultivate opportunities for upward mobility, allowing employees to take on more responsibility.	●	
Support Local Communities	Maintain a community-giving program in areas in which we operate.		●
	Provide support and sponsorship for vulnerable groups, either independently or in conjunction with local or international NGOs.		●
	Cultivate a spirit of volunteerism within the organization, with activities that aim to protect the environment and/or support vulnerable groups.		●
Compliance	Ensure the highest standards of compliance with industry and international regulations.		●
	Flag and classify our ships with reputable flag states and classification societies.		●
	Engage high-quality and internationally recognized auditor.		●
	Comply with Sarbanes-Oxley requirements.	●	
Reporting	Meet and exceed NYSE financial reporting and disclosure standards.		●
	Establish transparent ESG reporting.	●	
	Adopt SASB standards for ESG reporting.	●	

Our strategic roadmap

Category	Actions / Targets	In progress	Embedded
Discipline and Transparency	Maintain a high quality Board, aligned with shareholders' interests.		●
	Ensure Management is held to rigorous standards by the Board and expert committees.		●
	Ensure all transactions and contractual arrangements are on commercial, arm's-length terms.		●
Whistle-blowing	Maintain an effective whistle-blowing system, and periodically assess all whistleblowing cases.		●
Corruption	Zero-tolerance approach to bribery and corruption.		●
	Introduce gender diversity at Board level.	●	
ESG Governance	Periodically engage with key stakeholder groups to ensure alignment of ESG goals.	●	
	Establish ESG committee to establish ESG targets and monitor performance against those targets.	●	
	Actively engage with and support the application of the Poseidon Principles.	●	

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Materiality analysis

Materiality analysis

Engaging with key stakeholders

Stakeholder engagement is, and will continue to be, core to the formulation of our ESG strategy. Feedback from stakeholder engagement informs our targets, risk management, and resource allocation in order to the meet stakeholders' expectations and address their concerns, while helping us to better understand:

- The impact of our activities; and how to manage positive impact and mitigate negative impact in a responsible and constructive manner.

- The potential risks and opportunities associated with each stakeholder group; and how we can manage those risks and opportunities both proactively and effectively.

- The effectiveness, and required evolution, of our ESG strategy.

The key stakeholder groups with which we engage include:

- Charterers / liner operators (our customers)

- Employees

- Suppliers and business partners

- Ship brokers

- Industry organizations

- Credit and equity investors

- Financial institutions

- Insurers and P&I clubs

- Law firms

- Industry analysts

Stakeholder input drives the formulation of our ESG "materiality matrix", which in turn informs our ESG strategy.

In order to obtain a high-level understanding of stakeholder sensitivity to ESG overall, and to gauge the degree to which our ESG performance should inform our overall strategy, we asked a sample of key stakeholders the following questions:

How would you evaluate the importance of the three broad ESG categories?

■ Not Important ■ Of Limited Importance ■ Important ■ Very Important ■ Of Fundamental Importance
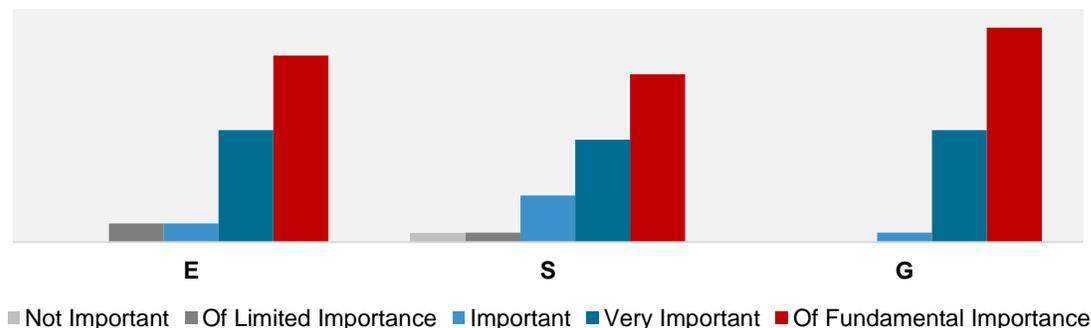
How do you expect the importance of ESG to evolve going forward?

Of Diminishing Importance	0%
No Change	11%
Of Growing Importance	89%
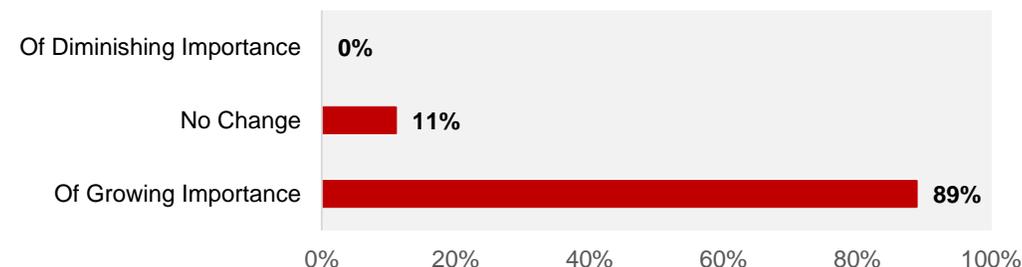
The results strongly indicate that ESG will become increasingly important for the maritime industry over time - with the majority of stakeholders considering all three ESG pillars to be of fundamental importance - and highlight the value of developing and implementing a long-term ESG strategy.

Materiality analysis

Process for identifying material issues

Our goal is to embed ESG and sustainability in our business strategy and processes. To achieve this, we first need to understand which specific and actionable ESG issues are most relevant to our business partners and stakeholders. To this end, sample groups of key internal and external stakeholders were surveyed in order to gauge the materiality of each ESG issue. We expect these issues, and their relative weightings, to change over time.

Materiality analysis process

1. Issue identification

- ESG issues highlighted by the leading sustainability standards (e.g. SDGs, GRI, SASB, DJSI) were reviewed.

- Industry-specific initiatives (e.g. IMO GHG reduction targets) were assessed.

- Company-specific initiatives were assessed - with Global Ship Lease, Technomar, and ConChart treated as a combined ESG "ecosystem".

- This process led to the initial pool of potentially material sustainability issues which were grouped into focus areas.

2. Assessment and prioritization

- Electronic questionnaires were distributed to sample groups of external and internal stakeholders.

- 34 responses were received from external stakeholders, and 21 from internal stakeholders.

- The stakeholder engagement process ran from May 27, 2020 to July 3, 2020.

- Input was received from key stakeholder groups on what they perceive to be the most important issues in relation to our performance and sustainability going forward.

3. Validation and alignment

- The results of the survey were analyzed.

- The resulting "Materiality matrix", combining the input of both internal and external stakeholders, is guiding our ESG strategy.

Our materiality matrix

The materiality matrix illustrates the significance of ESG issues, both to us and to our stakeholders, classifying issues in three tiers according to their significance:

Material issues

Issues identified as most material, both by us and by our stakeholders. These issues are considered critical to our sustainable success and we have either already embedded, or will embed, management processes and systems to monitor and enhance our performance in these areas with the highest priority.

Important issues

Issues identified, either by us or by our stakeholders, as being additive to our ESG profile. We will monitor, manage, and report on these issues regularly.

Relevant issues

Issues that, although not critical to our ESG performance, we consider to be relevant to our business and will seek to engage with over time.

Relevant   Important   Material

Materiality to stakeholders

- Strong risk management and financial control
- Regulatory compliance
- Compliance with environmental regulation and standards
- Respect for occupational health and safety
- Strong corporate governance, ethics and transparency
- Reduction of GHG emissions and air pollution
- Responsible labor practices
- Protection of the marine environment
- Strong financial performance
- Active measures to improve fuel and energy efficiency
- Clear commercial strategy
- Robust security
- Attraction and retention of talented employees
- Responsible ship recycling
- Responsible waste management and recycling
- Willingness to develop employee competency
- Active cultivation of of career opportunities
- Provision of appropriate remuneration of benefits for employees
- Positive approach to employment diversity and inclusion

Materiality to GSL

▲ Environment
■ Social
◆ Governance

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Environment

Material issues

- Protection of the marine environment

- Reduction of Greenhouse Gas (GHG) emissions and air pollution

- Active measures to improve fuel and energy efficiency

- Responsible waste management and recycling

Related SDGs

Our approach towards environmental protection

We consider protection of the climate in general, and of the marine environment in particular, to be of fundamental importance.

Although Greenhouse Gas (GHG) emissions per tonne-mile of cargo moved are significantly lower for the container shipping industry than for other common forms of freight, such as air, road, and rail, we acknowledge that the monitoring and control of emissions is increasingly important.

The shipping industry, of which container shipping forms a part, faces an energy transition challenge:

- Increased regulatory pressure, including EU regulations and IMO conventions, that highlight the importance of climate change and emissions control;
- IMO target to reduce shipping's GHG emissions by 50% (v. 2008 levels) by 2050.

Mounting scrutiny on emissions also influences the finance community. A number of major ship finance banks have signed up to the Poseidon Principles and are committed to measuring and publishing their lending portfolios' GHG emission profiles against the IMO's proposed 2050 emissions reduction trajectory.

In the container shipping segment, in which we operate, there is considerable variation in vessel emissions per tonne-mile of cargo carried, with the (fuel) economies of scale yielded by larger vessels typically resulting in lower emissions per container carried. Other factors, such as vessel age and design, fuel-saving retrofits, operating speed, time in port, weather routing and other operational differences, also significantly impact the relative fuel efficiency of different sizes types of containership. However, in general, there is a strong correlation between ships with low fuel costs per TEU "slot" and ships with low emissions per TEU slot.

But GHG emissions is not the only area influencing our environmental footprint and performance. Issues such as waste management, water ballast treatment, energy efficiency, green investments, and overall protection of the marine environment are all both relevant and well-regulated.

Overview of our environmental management approach

As an owner of containerships which are operated world-wide, we are conscious of the environmental footprint of our operations and feel a weight of responsibility regarding protection of the environment.

Our ESG approach goes beyond compliance with environmental regulations, and takes a proactive stance on monitoring, managing, and minimizing all aspects of our environmental footprint. Core elements of our environmental action plan include:

- Embedding Environmental Management Systems (EMS) in accordance with ISO 14001 and ISO 50001:2011.

- Environmental and energy-efficiency programs focused on continuous improvement of energy efficiency and minimization of GHG emissions, discharge, and waste.

- Setting clear targets for the improvement of environmental performance, and the embedding of best-practices for operational management.

- Ship Energy Efficiency Management Plans (SEEMPs) for each of our ships.

- Promoting a culture of environmental awareness and a focus on energy-efficiency, both on shore and at sea.

Transitioning shipping to decarbonization

The International Maritime Organization has targeted a reduction in Greenhouse Gas emissions from shipping of **at least 50%** (v. 2008) by 2050.

To reach this goal, and to make the transition to full decarbonization possible, commercially viable zero-emission vessels must **start entering the global fleet by 2030**, with their numbers scaled up through the 2030s and 2040s.

This will require both developing the vessels and the future fuel supply chain, which can only be done through close collaboration and deliberate collective action between the maritime industry, the energy sector, the financial sector, and governments and IGOs.

The **"Getting to Zero Coalition"** (GTZ) is an alliance of companies across the maritime, energy, infrastructure and finance sectors, supported by key governments and IGOs. GTZ is committed to getting commercially viable, deep-sea, zero-emission vessels, powered by zero-emission fuels, into operation by 2030: maritime shipping's moon-shot ambition.

Recognizing the serious social and economic challenges of climate change, and the significant value of transitioning shipping to a decarbonized future, **we are a committed member of GTZ**.
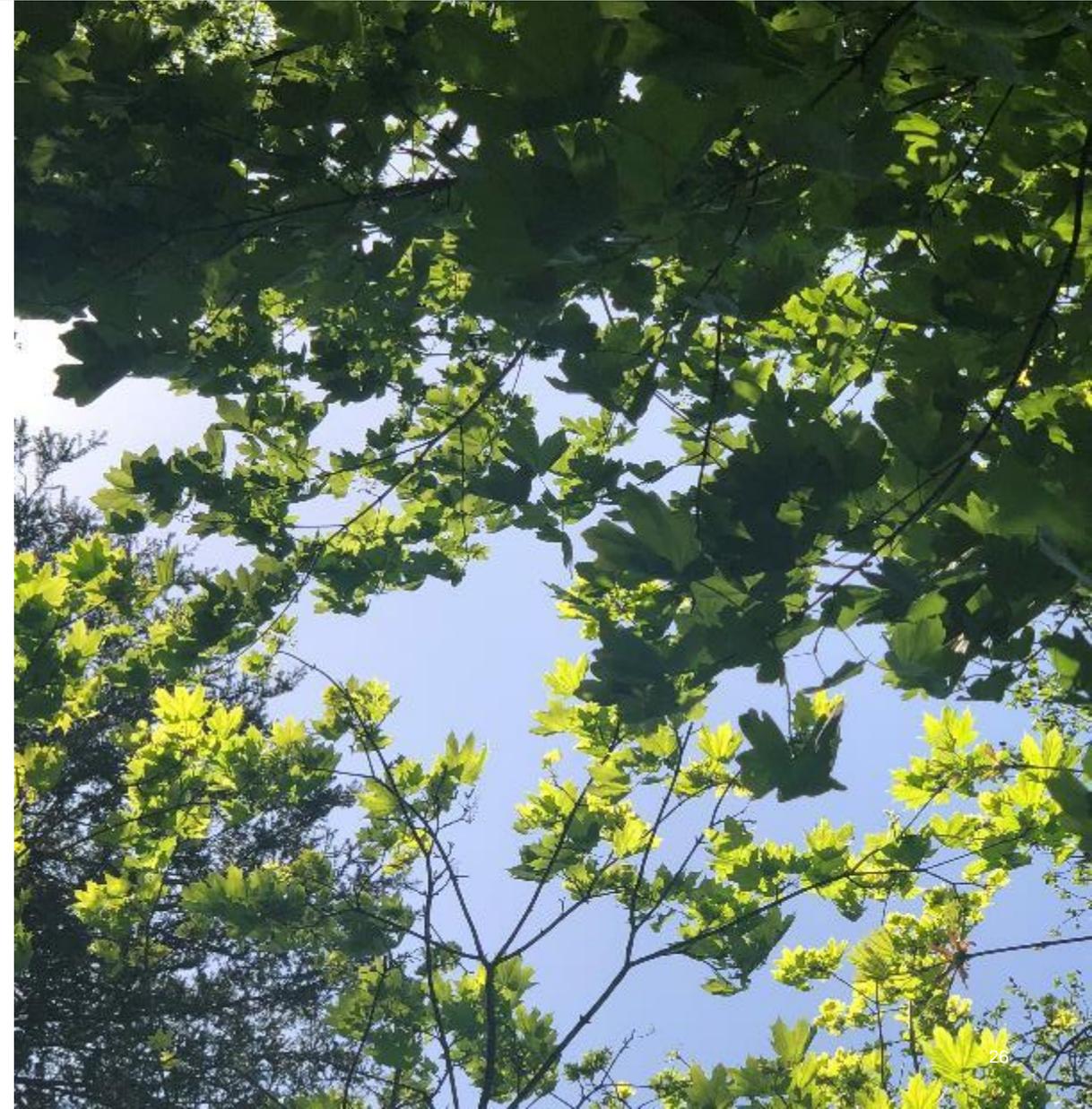
We comply with existing and upcoming environmental regulations

| Regulation	Description	Our response
Inventory of Hazardous Materials (IHM)	A regulation to control hazardous materials onboard ships for the Safe and Environmentally Sound Recycling of Ships. Any ship which is 500 GT or over, regardless of flag, will require a valid and certified IHM on board if calling at an EU port or anchorage. Non-EU flagged vessels can also be certified against EU SRR by complying with the HKC IHM requirements. Entry into force: December 31, 2020	We recycle scrap during hull repairs and maintenance and engage in environmentally sound ship recycling contracts. All our vessels are to hold a verified IHM by the end of 2020.
MARPOL Annex VI 0.50% sulphur limit	A regulation intended to reduce the amount of sulphur oxide emissions from ships - either by adopting alternate fuels (e.g. LNG), or installing Exhaust Gas Cleaning Systems (EGCS / scrubbers), or by using fuel oil with a Sulphur content of no more than 0.50% m/m (mass by mass) - entered into effect from January 1, 2020.	We have switched to high-quality, low-Sulphur fuels to meet the Sulphur emissions limits; three of our ships are scheduled to be retro-fitted with scrubbers during 2020.
IMO Strategy on reduction of GHG emissions from ships	Targets the reduction in total GHG emissions from international shipping by at least 50% by 2050 compared to 2008. Entry into force: October 2018.	We are committed to meet the IMO's ambitious 2050 targets by working with industry peers and stakeholders to make decarbonized deep-sea shipping commercially viable.
IMO Ballast Water Management Convention	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species. Entry into force: September 8, 2017.	We implement strict Ballast Water Management Plans, maintain appropriate Ballast Water record books, and have scheduled to equip all of our vessels with Ballast Water Treatment systems by end-2023.
IMO Data Collection System (DCS)	Mandates the collection of fuel consumption data for ships of 5,000 GT or larger as part of the Ship Energy Efficiency Management Plan (SEEMP). Entry into force: March 1, 2018 - for data collection from January 1, 2019.	We monitor and report the energy and emissions performance of our fleet and take measures to continuously improve our performance.

Energy efficiency and GHG emissions

## Our vessels outperform the industry in terms of low GHG emissions.

To assess the energy performance of our ships, both individually and as a fleet, we use the IMO **Energy Efficiency Operational Indicator** (EEOI). EEOI measures the fuel efficiency of vessel operations, and is a helpful indicator of the impact of operational enhancements, such as better voyage planning and trim optimization, and technical modifications, such as improvements to a ship's bulbous bow, on fuel efficiency and emissions. EEOI is the **amount of CO_2 emitted per unit of transport work done**. In container shipping, where the relevant cargo metric is the TEU (Twenty Foot Equivalent Unit – a standard container), EEOI is most appropriately expressed as gr **CO_2 / TEUs carried x nautical miles travelled**.

However, to facilitate broader benchmarking against industry data from the IMO and AMC, we also convert our EEOI to a tonnes-mile measurement. The IMO average index benchmark (basis 2009 - with 2008 as the industry's "year zero" for emissions benchmarking) for containerships is 37.4 gr CO_2 / tonnes mile for Handymax and 30.74 gr CO_2 / tonnes-mile for Panamax and Post-Panamax vessels. Furthermore, the AMC average index benchmark (2019) is 36.6 gr CO_2 / tonnes-mile for Handymax and 30.2 gr CO_2 / tonnes mile for Panamax and Post-Panamax vessels. In each instance, we use the most demanding comparative performance metric (i.e.. the one showing lowest emissions) against which to benchmark our ships. During the reporting period**, the majority of our ships beat the relevant EEOI industry benchmarks**.

EEOI (gr CO_2 / TEU - mile)
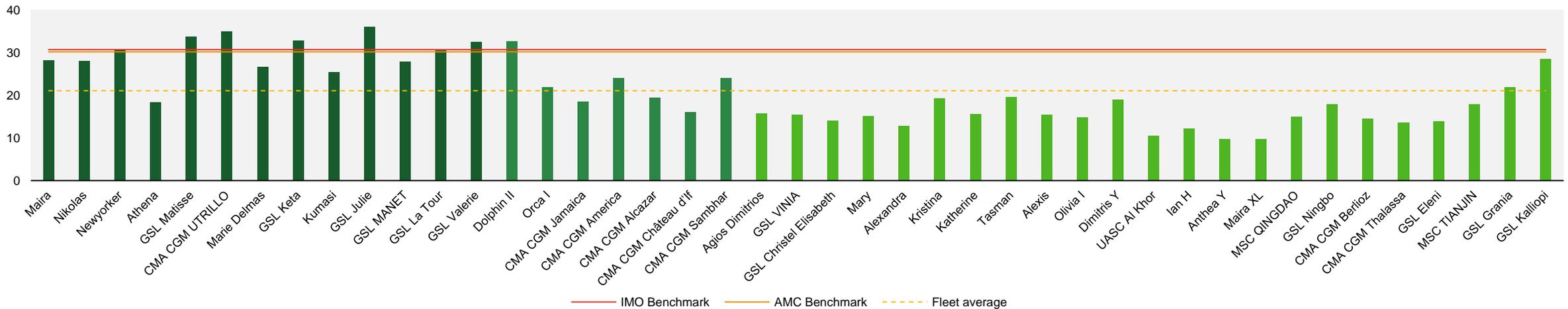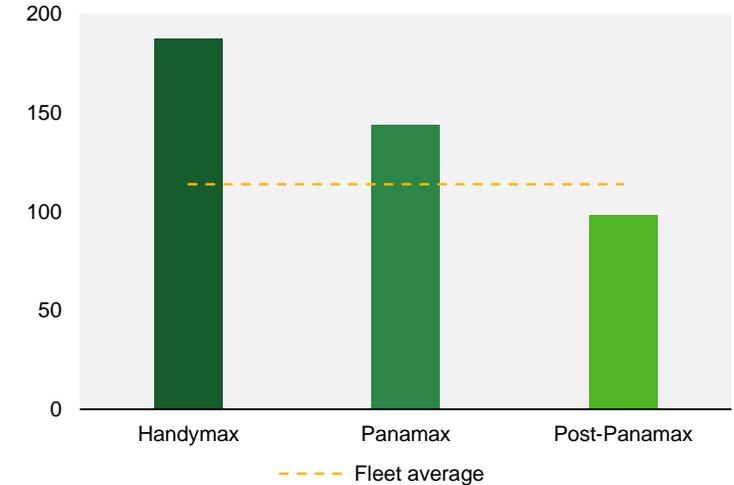
--- Fleet average

* Transport work is considered on a theoretical / fully loaded TEU - mile basis

EEOI (gr CO_2 / tonnes - mile)

——— IMO Benchmark   ——— AMC Benchmark   - - - - Fleet average

Energy efficiency and GHG emissions

During the reporting period, our fleet produced 1,058,000 tonnes of CO_2 from the consumption of 339,600 tonnes of fuel oil. 65% of those emissions were from our Post-Panamax vessels, which accounted for 75% of our transport work.

1,058 '000 CO_2
tonnes emitted by our fleet

339,653 tonnes
fuel oil consumed by our fleet

GHG emissions ('000 tonnes CO_{2e}) and EEOI (gr CO_2 / TEU - mile)

Bar chart values:
- Handymax — EEOI 187,6
- Panamax — EEOI 143,6
- Post-Panamax — EEOI 98,0

EEOI (gr CO2 / TEU - mile)
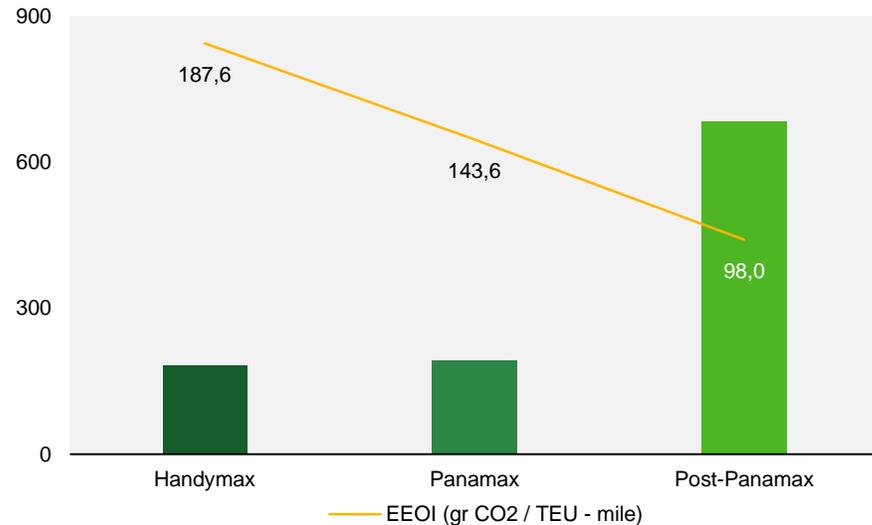
Fuel oil consumption (tonnes)

■ Handymax ■ Panamax ■ Post-Panamax
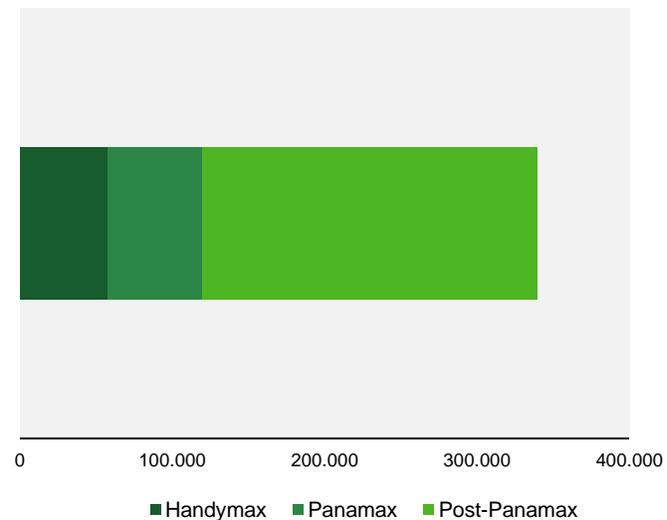
SOx and NOx emissions

Operation of our ships results in the emission of nitrogen oxide (NOx) and sulphur oxide (SOx). On January 1, 2020, the IMO introduced regulations to significantly reduce SOx emissions: "IMO 2020". Vessels can comply with IMO 2020 in a number of ways:

- By using low-sulphur (0.5%) fuel; requires strict operating protocols, but CAPEX tends to be minimal
- By installing Exhaust Gas Cleaning Systems (ESGSs), or "scrubbers"; retro-fitting is possible, CAPEX is meaningful
- By migrating to an alternate fuel, such as LNG; option effectively limited to newbuildings, CAPEX is significant

Fuel is procured and paid for by the charterer. All of our ships can operate with low-sulphur fuel. Three of our ships will be installed, during 2020, with scrubbers: the cost of which will be borne by the charterers, via the payment of charter rate premiums over extended charter terms. None of our ships are LNG-ready. During the reporting period, our fleet emitted **6,259 tonnes of SOx** and **16,971 tonnes of NOx**. The SOx emissions of our vessels were significantly lower than industry benchmarks, while NOx emissions were broadly in line with, or lower than, the relevant benchmarks.

SOx and NOx emissions for the majority of our ships are below the relevant global industry benchmarks.

SOx (gr SOx / tonnes-mile)
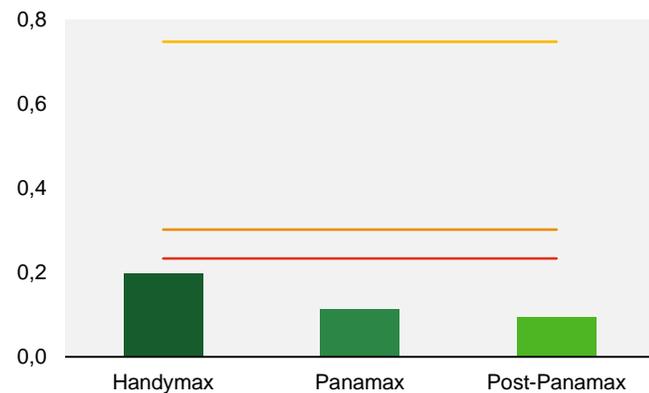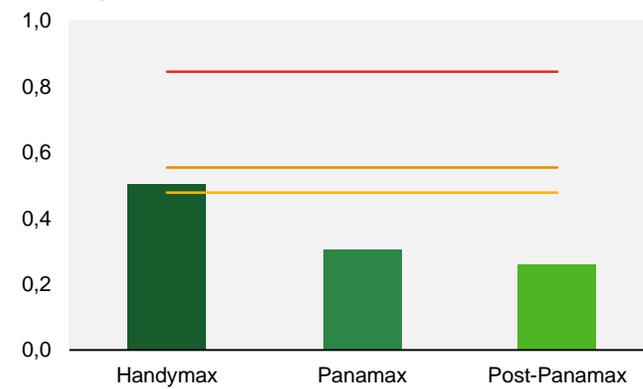
2019 AMC Handymax benchmark   2019 AMC Panamax benchmark   2019 AMC Post-Panamax benchmark

NOx (gr NOx / tonnes-mile)

SOx (tonnes)

gr SOx / TEU - mile

NOx (tonnes)

gr NOx / TEU - mile
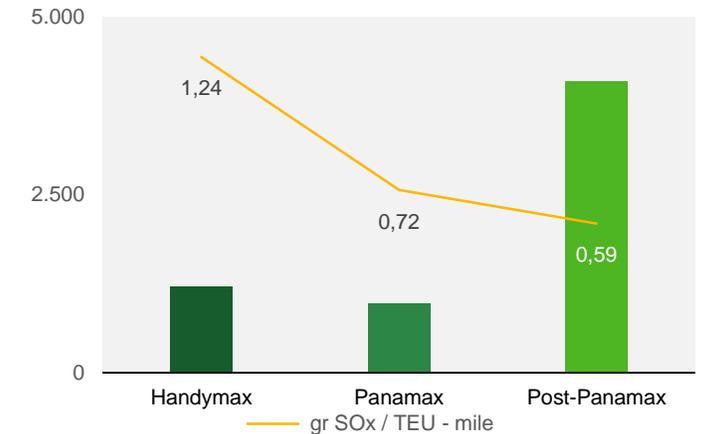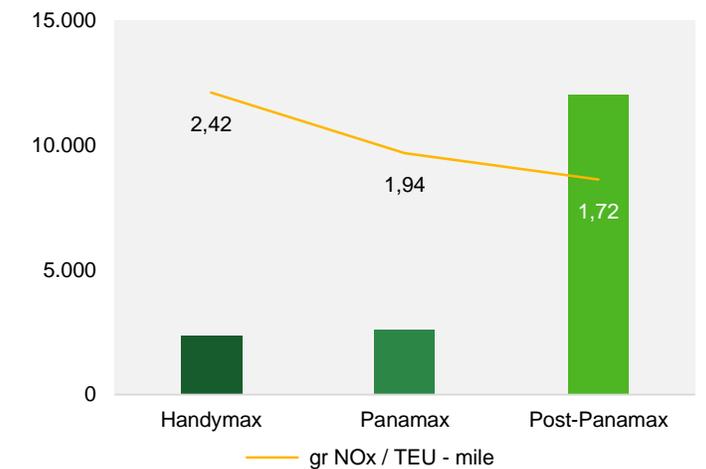
* Transport work is considered on a theoretical / fully loaded TEU - mile basis

Water and waste management

Waste management

We have developed comprehensive procedures for the proper management and disposal of waste generated aboard our vessels, in accordance with international and local environmental regulations. The waste management plan is implemented across our fleet and governs how all types of waste and sewage must be treated. For the three main types of waste generated on board (garbage, sludge, and bilge) we have implemented strict monitoring and management processes. Furthermore, we are contemplating the installation of garbage compactors aboard all our vessels in order to reduce the volume of garbage stored on board and subsequently off-loaded. We will examine the possibility to supply or fleet with garbage compactors / waste compressors by the end of 2025.

The graph below shows the waste quantities generated for the reporting period, both in absolute terms (m3) and per unit of transport work.

Waste generation (m^3)
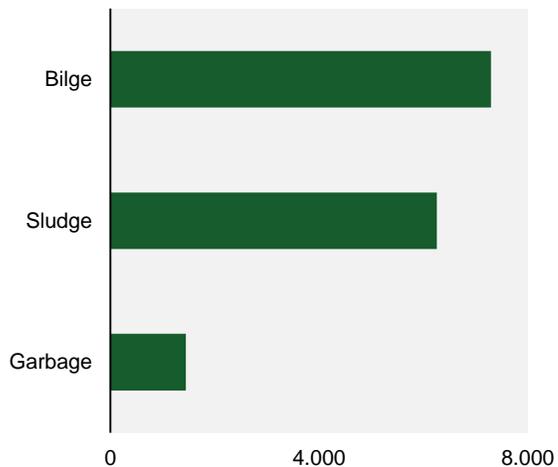
15,000 m^3

of waste generated on board our vessels during the reporting period

1.6 mm^3 / TEU-mile

of waste generated per transport work during the reporting period

Fresh water management

Fresh water is either produced on board by ships' freshwater generators (from sea water) or supplied from shore-based sources. Since water is a precious resource, we are committed to using it efficiently in our onboard operations - through continuous monitoring and consumption control, and setting annual reduction targets for fresh water consumption across our fleet.

The graph below shows fresh water consumed for the reporting period, both in absolute terms (m3) and per unit of transport work.

Fresh water consumption (m^3)

m3 FW / TEU - mile
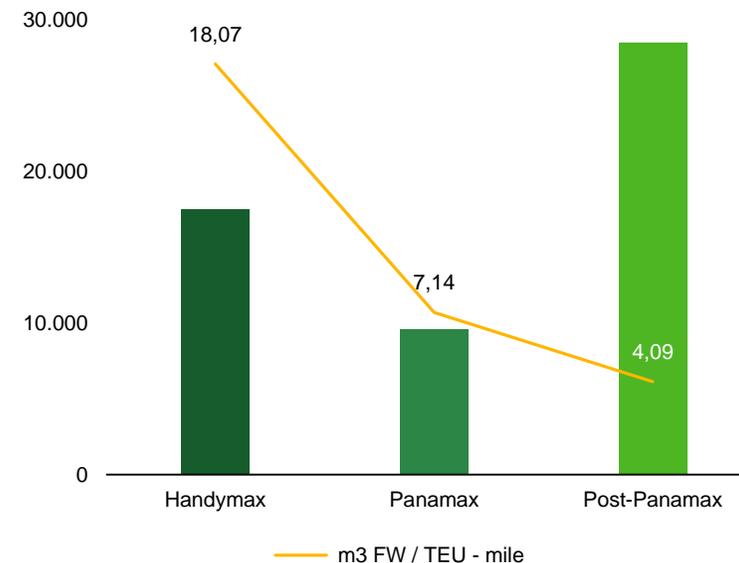
55,630 m^3

of fresh water consumed on board

Protection of the marine environment

Ballast water management

The proper management of ballast water is an important measure taken to protect marine biodiversity, governed by the Ballast Water Management (BWM) Convention and IMO guidelines.

All our vessels comply with these guidelines, with Ballast Water Exchange (BWE) procedures closely monitored. As at December 31, 2019, 17 of our ships were equipped with approved Ballast Water Treatments Systems (BWTS), which remove and destroy non-native and inactive biological organisms (zooplankton, algae, bacteria) that can be present in ballast water.

By end-2023, all of our ships will be BWTS-fitted, materially reducing the risk of spreading non-native aquatic species throughout the marine environment.

100% of our fleet apply BWE procedures

100% of our fleet will have been equipped with BWTS by 2023

Installation time plan of our fleet to be equipped with BWTS

2019	2020	2021	2022	2023
38%	51%	71%	87%	100%
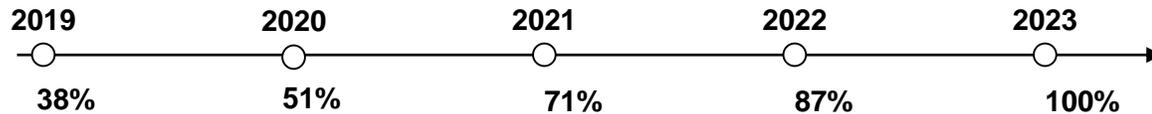
Preventing fuel spills in the marine environment

Spills of fuel and lubricants into the oceans or harbor basins represent one of the biggest environmental risks in shipping. In order to minimize this risk, rigorous safety standards and procedures must be maintained. Our ISO 14001-compliant environmental management systems - together with the ISM code for protecting the marine environment, strict operating and monitoring procedures, and regular risk assessments - are designed to ensure that no harmful substances are either spilled, or disposed of, into the marine environment as a result of our operations.

0 Spills or spill related incidents to the marine environment in 2019

Minimize noise from the vessels' operations and underwater disturbances

We comply with both local and international regulations governing the reduction of underwater radiated noise levels. Furthermore, we have established the following actions to be undertaken within the next three years to ensure that the effects of underwater radiated noise from engine operations are minimized:

Short term actions By 31-12-2020	Mid-term actions By 31-12-2022	Long-term actions By 31-12-2023
We shall comply with the regulations and limits of the Noise Code; instructions should be given to all seafarers working in spaces with noise levels in excess of 85 Db(a).	We shall disseminate instructions to the whole fleet for avoiding sensitive marine areas.	We shall adopt industry best practices for the reduction of underwater noise when establishing design specifications for newbuildings.

Responsible ship recycling

We are committed to responsible ship recycling, consistent with the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (HKC). Although the HKC was adopted by the IMO in 2009, it has yet to enter into force. Consequently, contracting for ships to be recycled in accordance with HKC is not a regulatory requirement; instead it is a choice made by prudent and responsible shipowners.

Key tenets of the HKC are that ships should carry an Inventory of Hazardous Materials (IHM), and should only be recycled at facilities recognized by Classification Societies to meet or exceed the safety and environmental standards of the Convention. In addition to meeting HKC criteria, we plan to ensure that our ships comply with the more rigorous Inventory of Hazardous Materials (IHM) requirements stipulated by the EU Regulation on Ship Recycling (EU SRR).

In order to help drive responsible practices in the ship recycling industry we have decided to implement the actions presented below.

Short term actions	Mid-term actions	Long-term actions
By 31-12-2020	**By 31-12-2022**	**By 31-12-2023**
Commence implementation of Part I of IHM in accordance with the Int. Convention for the Safe and Environmentally Sound Recycling of Ships and EU SRR.	Ensure compliance with the "Guidelines on Transitional Measures for Shipowners", issued by the "Industry Working Group on Ship Recycling" whenever a ship is sent for recycling.	Investigation on the method of a future ship's sale for recycling i.e. either to contact approved recycling facilities directly, or to use the services of a cash buyer. The extent of this responsibility will vary from case to case.

Hong Kong Convention
Responsible Ship Recycling

100%
of our fleet to hold verified EU SRR IHM by the end of 2020
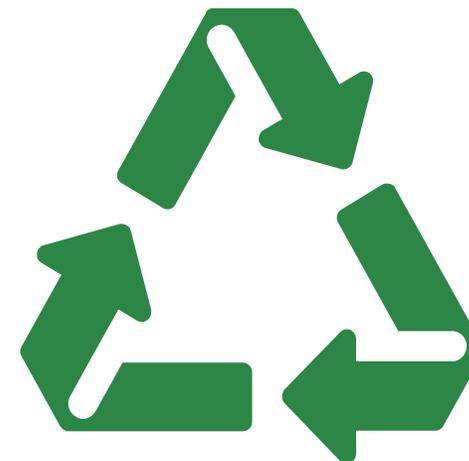
Reducing our on-shore environmental impact

Although the significant majority of our environmental footprint is associated with the operation of our ships, we still consider managing and reducing the footprint of our shore-based operations to be important. We therefore maintain an on-shore environmental management system and set reduction targets on our main impact areas: paper, batteries, electricity, and fresh water (FW) consumption.

Reduction targets for paper, batteries, fresh water and electricity consumption for the period 2020 - 2023

1. Implementing environmental practices on handling paper consumption and disposal of batteries.

2. Orientation towards best practices on FW and Energy Consumption in office.

Key figures for 2019 with respect to paper, electricity and FW consumption

|	Q1	Q2	Q3	Q4
Paper (paperpacks)	289	265	312	258
Electricity (kWh)	12,356	9,856	11,235	10,245
Fresh Water (m³)	95	112	150	95

6

Social

Material issues

- Strong emphasis on occupational health and safety

- Responsible labor practices

- Attraction and retention of talented employees

- Willingness to develop employee competency

- Provision of appropriate remuneration and benefits to employees

- Active cultivation of career advancement

Related SDGs

Health & Safety: our top priority

Health and safety is our top priority, and a core value. Alongside our commitment to protect the environment in our daily operations, we are focused on maintaining and promoting a safe and healthy workplace for all employees. Safety at work is a basic human right, and working conditions directly affect our employees as well as indirectly affecting their families and the communities in which they live. We care about our people and we aim to meet and exceed compliance requirements in order to provide a safe working environment for all shore staff and seafaring personnel.

We operate in a manner which protects human health and safety, the environment, and property.

To achieve this, we:

- Comply with all applicable laws and regulations, and apply responsible standards where laws and regulations do not exist.

- Seek to identify and mitigate risks that potentially affect employees, contractors, or the public.

- Share industry insights about health and hygiene risks within our employees.

- Provide medical services for the treatment of employee occupational illnesses or injuries and for the handling of medical emergencies.

- Implement programs and appropriate protective measures to control risks.

- Support voluntary health and hygiene promotion programs aimed at boosting employees' well-being and increasing personal safety.

During the reporting period, we conducted **21 onboard drills** per vessel and **43 internal audits** for our fleet. During the PSC inspections, **14 MARPOL deficiencies** and **148 categorized as "other"** (e.g. alarms, navigation safety, propulsion and auxiliary machinery, etc.) were identified.

21
Onboard drills per vessel

43
Onboard internal audits / inspections per total fleet

PSC Inspections - Nature of Deficiencies

14

148

■ MARPOL deficiencies   ■ Other
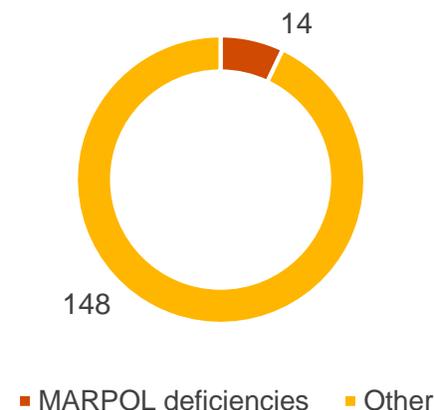
We promote safety at sea

A safe environment aboard our ships is of paramount importance for us. Our goal is to manage and eliminate the risks to safety associated with our activities, and protect the safety of our employees and others involved in our operations, by preventing accidents, injuries, and occupational illnesses. In order to achieve these goals, and increase safety awareness among all our employees and across our operations, we:

- Comply with all applicable laws and regulations, and apply responsible standards where laws and regulations do not exist.

- Provide ongoing training to employees throughout the organization

- Respond quickly, effectively, and with care to emergencies or accidents resulting from our operations.

- Continuously review and evaluate our operations and apply additional measures where deemed necessary or appropriate.

- Assess our safety risks and establish appropriate safeguards.

We invest in our people, policies, and equipment as we strive to protect both our people and the environment, and to meet our goal of zero spills and incidents. During the reporting period, we recorded one fatality due to disease, four medical treatment injuries, four first aid cases and one restricted work injury in our operations. Consequently, we aim to further strengthen our safety policies and increase the safety awareness of our employees through seminars, campaigns, and team activities in our drive to minimize risks to safety.

During the reporting period, the Lost Time Injury Frequency (LTIF) rate was 7.71 per 1,000,000 manhours and there were 10.28 per 1,000,000 man-hours Total Recordable Cases Frequencies (TRCF).

Safety-related incidents
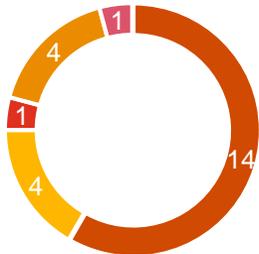
- Lost workday
- Medical treatment injuries
- Restricted work injuries
- First Aid

"We aim to achieve ZERO incidents and ZERO spills through continuous improvement."

15

Safety Incidents during the reporting period

7.71 per 1,000,000 manhours

Lost Time Injury Frequency (LTIF)

10.28 per 1,000,000 manhours

Total Recordable Cases Frequencies (TRCF)

2019 marine environment protection performance

! 0
Incidents

0
Environmental fines

Crew welfare

The quality and dedication of our seafarers are fundamental to the success of our business. Consequently, we consider the welfare and development of our crew essential to our operations. As at December 31, 2019, we employed 833 seafarers aboard our ships, drawn from a pool of 2,289.

We communicate regularly with our seafaring personnel, gathering information regarding any concerns or expectations they might have, and providing training opportunities to enhance their skill-sets and provide opportunities for career enhancement. We remunerate our crew fairly, and in accordance with their expertise, experience, and the responsibilities of their respective roles.

In order to increase their motivation, reduce social isolation, and improve crew retention we offer the following additional benefits:

- Ship Med Care program, which offers medical care as comparable as possible to the care they would otherwise receive ashore;
- Internet access in seafarers' cabins;
- Additional entertainment and wellness opportunities such as gym, pool, and team activities.

The average age of our seafarers is 40, with the majority being from the Philippines or Ukraine.

During the reporting period, we offered 768 training man-hours.

Our aim is to ensure attractive working conditions for all our employees. Our crew retention rate was 75%, and our goal is to increase this rate over time.

We also work hard to acknowledge excellence at the individual level, promoting seafarers accordingly - as illustrated in the Promotions per employment level table.

833
Total number of seafarers

75%
Retention rate

768
Total training hours

Seafarers per nationality

Nationality	Value
Philippines	530
Ukraine	230
Polish	42
Russia	24
Romania	3
Other	4
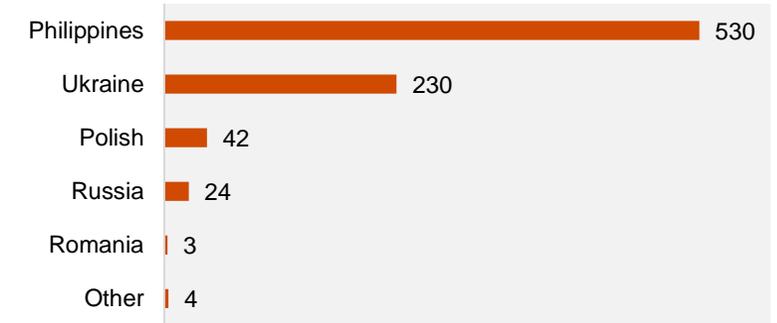
Seafarers per age group

Age group	Value
18-30	259
31-40	246
41-50	212
51-60	111
>61	5
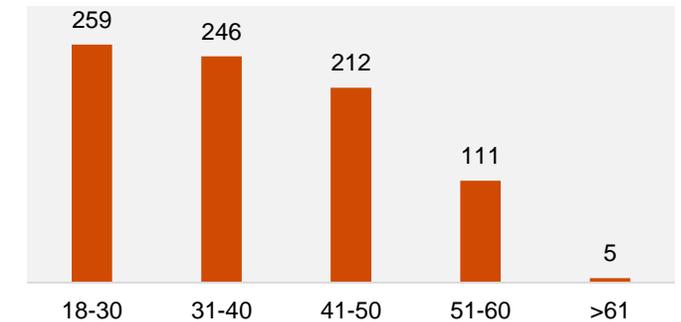
Promotions per employment level

Promotions	Rank
8	Senior Officers
12	Junior Officers
20	Ratings

Our shore-based staff

Our team of shore-based staff has deep expertise and experience in the shipping industry in general, and in containership owning in particular. The quality and commitment of our personnel is critical to the employment and smooth operation of our fleet.

Our aim is to cultivate a work environment encouraging dedication among our staff - with practices promoting mutual respect, equal opportunities, diversity, empowerment, career-advancement, and fundamental human rights. As at December 31, 2019:

- We employed a total of 212 shore-based staff, 98% of whom under full-time contracts;
- 41% of all our employees were women;
- The head of ConChart and, within Technomar senior management, the heads of accounting, legal, insurances, and freight collections are all women;
- The total number of new hires was 68 and we offered 14 internships;
- 22% of our shore-based staff have seafaring experience;
- The average retention rate was 86%; we view low employee churn as one important indicator of employee satisfaction.

We invest in our people, aiming to support the continuous improvement of their skills and promote further education. 368 hours of training were provided to our employees in 2H2019, with the following goals:

- To develop the technical and personal skills of our employees,
- To inform and educate our employees regarding the latest developments in regulations and industry practices; and,
- To raise the environmental awareness of our employees, with a focus on energy efficiency and the evolving regulatory environment.

Key Figures for 2019 regarding our on-shore employees

212
Total Employees

41%
Women representation

22%
Employees with seagoing experience

368
Total training hours

86%
Employees retention rate

Number of new hires and internships for 2019

14

68

- New Hires
- Interships
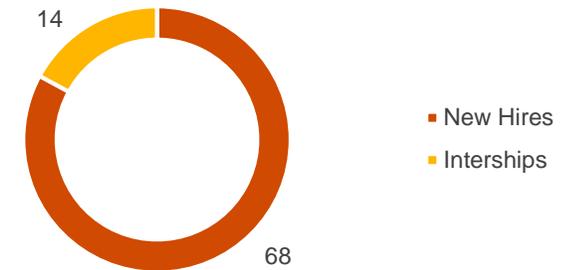
Employee age distribution

18-30	31-40	41-50	51-60	>61
58	58	54	28	14
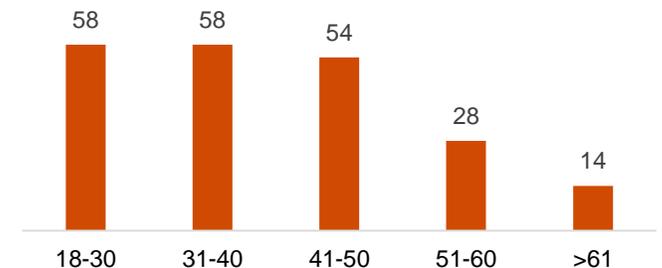
Responsible and sustainable procurement

We aim to work with reliable and well-qualified suppliers. We ensure that our suppliers comply with IHM resolutions (specifications on chemicals, hazardous materials etc.) and that the materials supplied are in compliance with IMO Resolution MEPC.269(68) and are supported by a Material Declaration Form.

Our fleet of ships operates world-wide, which means that keeping them properly supplied presents logistical challenges. In order to reduce both our costs and our environmental footprint, we focus on consolidating supply shipments as much as possible. During the reporting period, 92% of supply shipments were consolidated (form a total of 1,215).

Towards the end of 2019, we subscribed to the Procureship quality assurance process in order to enhance the screening of our suppliers going forward. Among other things, Procureship allows us to screen suppliers on the basis of the following criteria:

- Selected serving ports
- Selected offered brands
- Selected supplier category(ies)
- ISSA & IMPA Memberships (information is verified with the organizations' database)
- Valid copies of ISO certifications.

Key Figures for 2019

1,215
Total No. of delivered orders

1,123
Consolidated orders

92%
Forwarding consolidation ratio

Our strong social engagement

We - and more particularly, Technomar, ConChart, and their principals – are involved in a wide range of social initiatives. These include:

- Financial support to the Greek Company for the Rehabilitation of Disabled Children "ELEPAP", funding the construction of two buildings for new-born and pre-school children.

- Donations to the Association of Maritime Parents of Children with Special Needs "ARGO".

- Financial grant to the Pediatric Trauma Care Centre for the provision of medical equipment and machinery for three emergency departments in provincial cities in Greece.

- Yearly donations to Make-A-Wish Foundation, Pan-Hellenic Philanthropic Association "Bread & Action", and the Care Association "FRONTIDA".

- Financial support for the provision of respiratory equipment to the intensive care units of the Greek Shipowners' Social Welfare Company, SYN-ENOSIS.

- Donations to ActionAid Hellas through the provision of child sponsorship by every employee.

7

Governance

Material issues

- Strong financial performance

- Strong corporate governance, ethics and transparency

- Strong risk management and financial control

- Regulatory compliance

- Clear commercial strategy

Related SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE


16 PEACE AND JUSTICE STRONG INSTITUTIONS
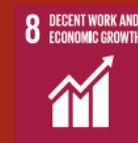
Corporate Governance

Our Board of Directors

The Board of Directors of Global Ship Lease (GSL) is committed to its fiduciary responsibility to represent shareholder interests and oversee the management of GSL's business and sets high standards for the Company's directors, officers, and employees.

The corporate governance standards of the New York Stock Exchange (NYSE) are different for United States domestic issuers and foreign private issuers. While a number of the NYSE corporate governance standards for United States domestic issuers do not apply to GSL as a foreign private issuer, the Company still strives to meet this optional higher standard.

The procedures and standards the Board of Directors follows to fulfill its responsibilities are recorded in the charters of the Board Committees, and in various guideline documents, all of which are available in the Governance section of the Company's website.

The various GSL Board Committees are summarized below:

Audit Committee

Our Audit Committee is responsible for all issues related to the preparation of our financial information and its disclosure. More specifically, the Audit Committee is involved in (i) providing recommendations for the appointment and review of external auditors, (ii) performing the internal audit process, (iii) supervising financial transactions and related policies and strategies. Another significant role of the Audit Committee is to identify and monitor business risks as well as ensure that we fully meet all the disclosure requirements of regulatory authorities.

Conflicts Committee

The primary purposes of our Conflicts Committee are to review, evaluate, and approve any transaction or other matter referred or disclosed to it where a conflict of interest or potential conflict of interest exists or arises, whether real or perceived. Such matters may include transactions between Global Ship Lease or any of its subsidiaries on the one hand, and Technomar Shipping, Inc., or ConChart Commercial, Inc., or any of the Company's officers or directors or affiliates of its officers or directors, on the other hand.

ESG Committee

The primary purposes of our ESG Committee are to (i) guide, support, and supervise management in developing, articulating, and continuing to evolve our ESG strategy; ii) evaluate and recommend ESG initiatives for adoption; iii) assess ESG risks and opportunities; and iv) promote ESG practices within our business culture and processes.

Nomination and Corporate Governance Committee

The Nominating / Corporate Governance Committee is engaged in issues related to succession planning and the appointment, development and performance evaluation of the members of the Board and senior executives of our company. Furthermore, the Committee evaluates the effectiveness of our Corporate Governance Guidelines with a view to review and provide recommendations to the Board whenever appropriate.

Compensation committee

The Compensation Committee is responsible for evaluation and compensation plans, reviewing and reporting on directors' and executives' compensation in accordance with the rules and regulations of the Securities and Exchange Commission (SEC).

Board composition

Board Members	Role	Committees
George Youroukos	Executive Chairman | Term II Director	ESG Committee
Michael Gross	Term III Director	Chairman of the Compensation Committee
Michael Chalkias	Term II Director	Audit Committee Conflicts Committee ESG Committee Chairman of the Nominating & Governance Committee
Philippe Lemonnier	Term I Director	
Henry "Hank" Mannix III	Term I Director	Compensation Committee
Alain Pitner	Term I Director	Compensation Committee Nominating & Governance Committee
Menno van Lacum	Term III Director	Chairman of the Audit Committee Chairman of the Conflicts Committee Chairman of the ESG Committee
Alain Wils	Term III Director	Audit Committee Conflicts Committee ESG Committee Nominating & Governance Committee

Our Board of Directors is comprised of a majority of independent directors.

The Board of Directors is divided into three (3) classes ("Term I," "Term II," and "Term III," respectively), as nearly equal in number as the then total number of directors constituting the entire Board of Directors permits, with the term of office of one or another of the three (3) terms expiring each year.

Senior management:

1. George Youroukos, Executive Chairman
2. Ian J. Webber, Chief Executive Officer
3. Tassos Psaropoulos, Chief Financial Officer
4. Thomas A. Lister, Chief Commercial Officer
5. Maria Danezi, Company Secretary
6. George Giannopoulos, Head of Internal Audit

An ethical workplace

We have adopted and communicated our Code of Business Conduct and Ethics to our employees, directors, officers and agents. The code covers the following key topics:

- Conflicts of Interest
- Corporate Opportunities
- Related Party Transactions
- Confidentiality and Privacy
- Honest and Fair Dealing
- Protection and Proper Use of Company Assets

- Compliance with Laws, Rules and Regulations
- Securities Trading
- Disclosure
- Procedures Regarding Waivers
- Internal Reporting and Whistleblower policy

All of our employees (permanent and temporary) are required to follow our Code of Business Conduct and Ethics and, in case of any suspected violations, they may report to the Audit Committee openly, confidentially, or anonymously - as per our internal reporting and Whistleblower policy.

During FY2019, no bribery, fraud, or other whistleblowing incidents were recorded; neither were any violations of our ethical principles or anti-corruption policy.

0
Bribery and fraud incidents

0
Whistleblowing incidents

0
Violations of our ethical principles & anti corruption policy

We recognize that exposure to corruption risks may vary by geography. In 2019 only 3% of our port calls were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI).

3% **of port calls in countries with the 20 lowest rankings in CPI.**
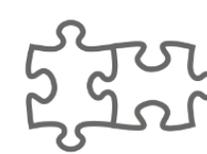
CONNECTION   TRUST   SOCIAL RESPONSIBILITY

HONESTY   INTEGRITY   COMMITMENT

TRANSPARENCY   CORE VALUES   RELIABILITY

Rigorous and effective internal controls

In order to ensure robust governance practices, disciplined business processes, and high levels of transparency and disclosure, we have developed a rigorous and effective internal control environment.

We have a dedicated Internal Audit team responsible for monitoring and testing our internal procedures – and those of Technomar and ConChart, to the extent that they impact Global Ship Lease – to ensure that risk management practices, controls, and overall governance processes are adhered to.

The Audit Team is tasked with continuously improving our control environment, and to ensuring that the quality of our internal controls on financial reporting meets and exceeds compliance requirements under Sarbanes-Oxley.

The Internal Audit team reports to the Audit Committee, making recommendations and/or suggesting corrective actions that will assist in accomplishing our business objectives.

During 2019, a total of 188 internal controls were tested. No material weaknesses or deficiencies were identified.

0
Material weaknesses or deficiencies were identified in 2019 internal audits.

188
Internal controls were tested during 2019.

Risk management

The key risks associated with our business are grouped into the following six (6) categories:

External Environment
External Environment risks, arise when there are external factors or influences that could impact the our business operations.

Operations
Operations risk, is the risk that our operations are inefficient and/or ineffective in executing our business strategy and meeting our customers' needs.

Financial
The risk that cash flows and financial risks are not managed cost-effectively such as to maximize cash availability, etc.

People management
The risk that our employees are not properly led, or trained, or are not given appropriate incentives to perform.

Information Technology
The risk that information technologies used by the company are not operating as intended, or are compromising the integrity and reliability of data and information, etc.

Integrity
Risks associated with management fraud, employee fraud, illegal and/or unauthorized acts, any or all of which could lead to legal action against us and/or to reputational damage in the market.

Our response to the COVID-19 pandemic

We established an effective COVID-19 outbreak management plan in compliance with governmental guidance, and WHO and IMO instructions and directives. The plan is two-pronged: covering preventative measures to be taken to minimize the risk of COVID-19 transmission to seafarers, passengers, and others on board our ships, while also covering actions to be taken in case of infection. The over-arching goal is to minimize the risk of exportation or importation of the disease without further impeding the global supply chain. Elements of the plan include:

▪ General rules for hygiene on board
▪ General precautions in port
▪ Protocols to apply in ports with reported COVID-19 incidents
▪ Security precautions
▪ Roles and responsibilities for specific personnel (e.g. Ship Master, Medical Officer, Ship Security Officer, Officer of the Watch) regarding the application of preventative / protective measures
▪ Protocols for cleaning, disinfection, and treatment of waste – e.g. all used PPE and all items soiled in contaminated areas to be treated as bio-hazardous waste (Category A infectious waste UN 2814 for transportation)
▪ Guidance for shore-side personnel, including the use of PPE and social distancing

Should a person present COVID -19 symptoms (fever, cough, breathing problems, pneumonia) on board a ship, the following precautions are applied immediately:

▪ **Generic advice**: relocation of the person presenting symptoms to an isolated cabin; cleaning and disinfection and continuous monitoring of crew members' health.
▪ **On board actions**: notification to the Officer on Watch/Ship Security Officer/Medical Officer/Master and the Office, seek advice from a medical expert, employ a medical isolation room, implement case investigation and relevant recording in the medical log book.
▪ **Port-related actions**: notification to the Port Authorities or nearest Country and local agents, disembarkation of the suspected / confirmed case for hospitalization and laboratory analysis.
▪ **Response Drill**: familiarization drills run to ensure disciplined action by the crew regarding quarantine area setting, ship/shore communications.

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Appendix

- SASB Marine Transportation Material issues index

- GRI Contents index

SASB marine transportation material issues

Category	Disclosure topic	Code	Page reference
GHG emissions	Gross global Scope 1 emissions	TR0301-01	11, 29
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR0301-02	14,15
	Total energy consumed, percentage from heavy fuel oil, percentage from renewables	TR0301-03	11, 29
	Energy Efficiency Design Index (EEDI) for new ships	TR0301-05	N/A
Air Quality	Air emissions for the following pollutants: NOx, SOx, and particulate matter (PM)	TR0301-04	11, 30
Ecological impacts	Shipping duration in marine protected areas and areas of protected conservation status	TR0301-06	N/A
	Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	TR0301-07	11, 32
	Number and aggregate volume of spills and releases to the environment	TR0301-08	11, 32
Employee health and safety	Lost time injury rate (LTIR)	TR0301-12	12, 37
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR0301-09	12, 45
	Amount of legal and regulatory fines and settlements associated with bribery or corruption	TR0301-10	12, 45
Accident & safety management	Number of serious marine incidents	TR0301-11	12, 37
	Number of Conditions of Class or Recommendations	TR0301-13	N/A
	Number of port state control (1) deficiencies and (2) detentions	TR0301-14	12, 36

GRI contents index

	Disclosure	Section	Page
GRI 102 General disclosures	**102-1** Name of the organization	About GSL	6 - 9
	102-2 Activities, brands, products, and services		
	102-3 Location of headquarters		
	102-4 Location of operations		
	102-5 Ownership and legal form		
	102-6 Markets served		
	102-7 Scale of the organisation		
	102-8 Information on employees and other workers		
	102-9 Supply chain		
	102-10 Significant changes to the organization		
	102-11 Precautionary Principle or approach	Our ESG strategy	14 - 19
	102-12 External initiatives	Environment	26
	102-13 Membership of associations		
	102-14 Statement from senior decision-maker	Message from our Executive Chairman	2
	102-16 Values, principles, standards, and norms of behavior	Governance	45
	102-17 Mechanisms for advice and concerns about ethics		
	102-18 Governance structure	Governance	44

	Disclosure	Section	Page
GRI 102 General disclosures	**102-40** List of stakeholder groups	Materiality analysis	21
	102-41 Collective bargaining agreements	Social	38
	102-42 Identifying and selecting stakeholders	Materiality analysis	21 - 23
	102-43 Approach to stakeholder engagement		
	102-44 Key topics and concerns raised		
	102-45 Entities included in the consolidated financial statements	About GSL	6 - 7
	102-46 Defining report content and topic Boundaries	About this report	4
	102-47 List of material topics	Materiality analysis	23
	102-48 Restatements of information	-	-
	102-49 Changes in reporting	-	-
	102-50 Reporting period	About this report	4
	102-51 Date of most recent report	-	-
	102-52 Reporting cycle	About this report	4
	102-53 Contact point for questions regarding the report	Contact Information	53
	102-54 Claims of reporting in accordance with the GRI Standards	About this report	4
	102-55 GRI content index	Appendix	50 - 52
	102-56 External assurance	-	-

GRI contents index

GRI Standard	Disclosure	Section	Page
Economic performance			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201 Economic performance	**201-1** Direct economic value generated and distributed	About GSL	9
Anti-corruption			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205 Anti-corruption	**205-3** Confirmed incidents of corruption and actions taken	Governance	45
Energy			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302 Energy	**302-1** Energy consumption within the organisation	Environment	29
	302-3 Energy intensity		

GRI Standard	Disclosure	Section	Page
Water			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
	303-1 Water withdrawal by source	Environment	31
Biodiversity			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 304 Biodiversity	**304-2** Significant impacts of activities, products, and services on biodiversity	Environment	32
Emissions			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305 Emissions	**305-1** Direct (Scope 1) GHG emissions	Environment	28 - 30
	305-4 GHG emission intensity		
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		

GRI contents index

GRI Standard	Disclosure	Section	Page
Effluents and waste			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 306 Effluents and waste	**306-2** Waste by type and disposal method	Environment	31
	306-3 Significant spills		
Environmental compliance			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 307 Environmental compliance	**307-1** Non-compliance with environmental laws and regulations	Environment	27
Employment			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401 Employment	**401-1** New employee hires and employee turnover	Social	39

GRI Standard	Disclosure	Section	Page
Occupational health and safety			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403 Occupational health and safety	**403-2** Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social	37
Training and Education			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404 Training and education	**404-1** Average hours of training per year per employee	Social	38
Diversity and equal opportunities			
GRI 103 Management approach	**103-1** Explanation of the material topic and its Boundary	Materiality analysis	22 – 23
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 405 Diversity and equal opportunities	**405-1** Diversity of governance bodies and employees	Governance	43 - 44

Disclaimer

Forward-Looking Statements

This report contains forward-looking statements. Forward-looking statements provide Global Ship Lease, Inc.'s current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease, Inc.'s expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease, Inc. cannot assure you that the events or expectations included in these forward-looking statements will come to pass, or that it will achieve or accomplish these expectations, beliefs or projections. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors, including the factors described in "Risk Factors" in Global Ship Lease, Inc.'s Annual Report on Form 20-F and the factors and risks Global Ship Lease, Inc. describes in subsequent reports filed from time to time with the U.S. Securities and Exchange Commission. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this report. Global Ship Lease, Inc. undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this report or to reflect the occurrence of unanticipated events.

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Thank you